



USAID
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BOSNIA-HERZEGOVINA

QUARTERLY NEWSLETTER

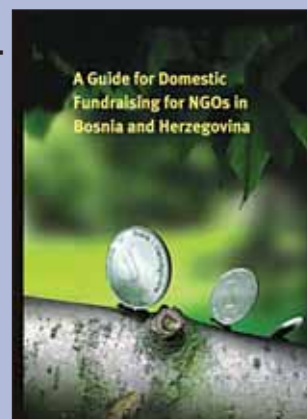
November 2005 - January 2006



New Guidebook for Fundraising

Local organizations prove they can raise funds (and awareness) domestically

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Prokosko Lake Protected Zone

Action helps save "human fish" from extinction

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BANKRUPTCY IS NOT THE END

Workers receive salaries for first time in 3 years

Workers at Unis Tadv in Konjic are getting paid once again thanks to the company's decision to file for bankruptcy. The move came about after the factory's frustrated employees appealed to USAID's Fostering an Investment and Lender-Friendly Environment (FILE) project for help. Filing the bankruptcy petition allowed the company time to reorganize itself and negotiate agreements with its creditors. Now, the company is earning 200,000 Euros monthly by exporting its machine tools and fasteners to the European Union. It is the first reorganization under BiH's new bankruptcy laws passed in 2003.

"71% of all state-owned companies are insolvent," says USAID's Economic Restructuring Office chief John Seong. "Bankruptcy offers them a chance to transfer assets to a new investor free and clear of the unmanageable debt load, while resolving creditor claims in a fair and transparent manner."

After Unis Tadv's bankruptcy petition was submitted all

160 workers received their first paychecks in three years. They continued to get paid, including all social contributions, during the entire 11-month bankruptcy and reorganization process. Also, Unis Tadv's assets of 3.5 million KM were put back into productive use and production increased by 30% above pre-bankruptcy levels.

Under the reorganization plan reached in October 2005, Unis Tadv's workers own 67% of the company. The remaining 33% was transferred to the company's major creditor in satisfaction of debt, leaving the company completely privatized despite earlier failed attempts to do so. There are currently 335 cases filed under the new law. Surprisingly, trade unions, who were among the most vocal critics of bankruptcy, have become major filers of cases in the courts. With workers' salaries on the line, they have a strong interest in restarting production.

"Many BiH citizens tend to view bankruptcy as the end of a process. In reality it's an opportunity for a fresh start," says Seong.



Farmers from Buzim watch as a member of the Jezerski Farmers Association demonstrates the use of the association's new baler

Dairy Farmers Boost Milk Production

Nine farmers from Buzim were recently let in on a valuable secret: Cutting their grass earlier can increase their winter milk production by as much as 10 to 15%. The earlier cuttings are lower in fiber, higher in protein and easier for their cows to digest, thus increasing the amount of milk each cow produces.

The farmers learned about the technique on a study trip to the Netherlands sponsored by USAID's Linking Agriculture Markets and Producers (LAMP) project. But the nine participants were not content to keep the knowledge to themselves. One of them

filmed the trip and USAID organized a screening for other farmers from the region. USAID also helped the Jezerski Farmers Association purchase a baler to better preserve the grass after it is cut. The Association used the baler to make 650 bales for its members and another 100 bales for neighboring farmers.

Association member Nermin Ramic says the cooperation has had a ripple effect. "Four of our farmers cooperated in buying another piece of farm machinery. It showed us that we can work together to accomplish what we can't do alone."

ENERGY

Power Companies Compete on Merit

For the first time, BiH power companies had to prove their worth before gaining the right to generate and distribute power. In December, the BiH Federation's Regulatory Commission for Electricity (FERK) issued the first licenses for power generation and distribution to companies in BiH. This marked a milestone in USAID's efforts to create transparency in the energy sector. Power companies were required to submit applications, the merits of which were discussed in public hearings.

USAID's technical assistance helped set up the Regulatory Commissions



The BiH Federation's Kakanj Power Plant generates electricity for approximately 350,000 citizens.

for the State as well as for the RS and Federation. USAID trains the Commissioners in modern practices acceptable to the EU. They include operating in an open manner that is based on merit not favoritism.

NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF

♦ In cooperation with the Sarajevo Art Academy and the Federation Chamber of Commerce, USAID's Cluster Competitiveness Activity (CCA) organized the exhibition "Designers Invade Factories" in which young industrial design students exhibited their works. Three students were awarded a CCA-sponsored trip to the Copenhagen Furniture and Design Fair in May 2006.

♦ Media Plan Institute completed a USAID Media-supported Roma minority training for radio broadcasting. Participants learned the basics of radio production, news and feature story writing, interviewing, and editing. The trainees will put their newly-gained knowledge and skills to use at three radio stations that have committed air time to minority issues.

♦ The Capljina and Ljubinje municipal councils amended their Rules of Procedure to ensure greater citizen participation in the councils' decision-making processes. USAID's Administrative Law Project (ALPS) assisted in preparing the adopted amendments now incorporated into the municipal rules of procedure. ALPS works in 20 BiH municipalities.

KEY TO FUNDRAISING: YOU HAVE TO ASK

Majority of people say they don't give because no one asked them to

When parents of special needs children in Trebinje first heard the proposal to raise money through collection boxes, they were shocked. The idea just seemed too much like begging. "We explained

to them that if you have a cause it isn't begging. You have to ask if you want to receive," says USAID Project Manager Mirjana Popovic.

With USAID support, nine BiH NGOs staged 14 campaigns to raise money for causes including orphans, the disabled, children at risk and deaf persons. Techniques included auctions, events and direct mail among others.



Bosnian Handicrafts of Tuzla staged a fashion show and charity auction to help support socially vulnerable and marginalized women



Doboj's Center Humanitas held a phone-a-thon for children at risk

For every 1 KM spent, the NGOs earned back an average of 1.5 KMs, proving that fundraising can indeed be successful when done locally.

The USAID project culminated with the publication of "A Guide for Domestic Fundraising for NGOs in BiH". The guide can be found on USAID's website: www.usaid.ba.

Civic Action



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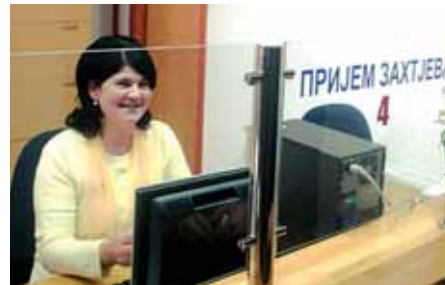
On December 2, USAID participated in a press event to mark the Day of Disabled Persons. Since 2003, USAID has supported a coalition of NGOs to carry out the We Are All Equal campaign whose goal is to change state and entity-level laws to improve the lives of persons with disabilities.

Rule of Law



USAID's Rule of Law project held a nationwide Moot Court Competition among 12 teams from BiH's six law faculties. The winning team was from Banja Luka. USAID aims for BiH's Law Faculties to take over ownership and management of the competition in the future.

Municipal Services



USAID's Government Accountability Project (GAP) opened five more municipal One Stop Shops - in Gorazde, Mrkonjic Grad, Rogatica, Lopare and Jablanica. The shops will reduce waiting times by up to 50% and provide transparent and more efficient municipal services to citizens.

Campaign Helps Saves Human Fish from Extinction



Mountain huts dot the Vranica Mountainside surrounding Prokosko Lake

Most locals call it the “human fish.” But unlike humans, the Triton Salamander can be found on only a tiny sliver of the earth--Prokosko Lake near Fojnica in BiH.

For almost 20 years, Prokosko Lake and nearby Vranica Mountain have been endangered by illegal construction and the introduction of Triton-eating trout into the lake's waters. Despite many dire warnings from environmen-

talists, municipal authorities took no action to stop the destruction of this unique area of nature.

In 2003, USAID's local partner Centers for Civic Initiatives (CCI) launched a campaign with USAID support entitled “Prokosko Lake – Monument of Nature”.

CCI's coalition of NGO partners included Greenway from Sarajevo, Ecologic Society Fojnica, and Ecologic

Association “Kremenik” from Vitez. Together, they organized numerous public meetings, round tables, press conferences, interviews, and petitions to raise public awareness of its problem.

Last October, the Middle Bosnia Cantonal Assembly adopted a law to declare Vranica Mountain and Prokosko Lake protected zones as well as designate them national monuments. The law will protect endemic flora and fauna on the mountain from further devastation. In addition, the law will provide the preconditions for future development of tourism and sustainability of the wider region.

USAID will continue to support activities that increase citizens' participation in

The Triton survived the Ice Age but is considered an endangered species today



similar advocacy campaigns and directly include them in decision-making processes. The agency recently signed an agreement with CCI for a three-year program to support local NGOs by strengthening their advocacy, coalition building, and watch-dog capacities and activities.

Mission Director Receives U.S. Presidential Award

USAID/BiH Mission Director Howard Sumka recently received the prestigious Presidential Meritorious Rank Award for his work over a three-year period as USAID Mission Director in Albania and in BiH.

Dr. Sumka was director in Albania during the Kosovo refugee emergency and, among other things, led the US

assistance effort to rehabilitate communities that hosted nearly half a million refugees. He has been director of the USAID Mission to BiH for the past three years. Each year, the U.S. President honors a small group of career Senior Executives with the President's Rank Award for exceptional long-term accomplishments.



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